

**25—5.10(175) Sharing of repayment proceeds and collateral.** Lenders shall not acquire any preferential security, surety, or insurance to protect the unguaranteed interest in a loan. All repayments, security, or guarantee of any nature, including without limitation, rights of setoff and counterclaim, which the lender or the authority jointly or severally may at any time recover from any source whatsoever or have the right to recover on any guaranteed loan, shall repay and secure the interest of the lender and the authority in the same proportion as such interest bears respectively to the unpaid balance of the loan.

Any loan or advance made by the lender to a borrower subsequent to a guaranteed loan, secured by security or collateral pledged for the guaranteed loan will be subordinate to the guaranteed loan.